

Washington, D.C. – Congressman Wally Herger, Chairman of the Ways & Means Subcommittee on Health, today led the Subcommittee in its first hearing of the year, focusing on the Medicare Payment Advisory Commission’s (MedPAC) Annual March Report to Congress. Herger delivered the following remarks before the committee:

“I want to welcome everyone to the first hearing in the Subcommittee on Health for the 112th Congress. Today, we will be hearing from the Medicare Payment Advisory Commission (MedPAC) on the recommendations in their March 2011 report on Medicare payment policies.

“During this Congress, we must come together to address a fiscal crisis of monumental proportions. Every program, no matter how important, must be scrutinized to ensure that scarce taxpayer dollars are being used appropriately and efficiently. Therefore, I find it fitting that in our inaugural meeting we would hear from MedPAC. The insight and guidance we receive from MedPAC will be very important as we seek ways to reform the Medicare program and improve the accuracy of provider payments while also ensuring that Medicare beneficiaries have access to high-quality care.

“Congress relies on MedPAC’s Medicare provider payment recommendations because they are based on sound policy and strong data analysis. Traditionally, Medicare spending has outpaced growth in the economy at large and is a major driver of our long-term debt. The Congressional Budget Office projects that Medicare spending will nearly double as a share of the U.S. economy over the next twenty-five years. By 2050, the “Big Three” federal entitlement programs – Medicare, Medicaid, and Social Security – are projected to exceed total tax revenue, with Medicare being the largest of the three. We cannot bring about a fiscally sustainable future if these trends continue. MedPAC’s analysis is invaluable in helping us better understand when growth in Medicare spending is appropriate, and when Medicare payments need to be adjusted.

“Last year, Congress passed a massive health care overhaul law that permanently reduces Medicare payments to a number of providers. Less than 3 percent of the more than one half trillion dollars in cuts from Medicare came from actual delivery reforms. We must do better than that, which is why we also rely on MedPAC’s June report to Congress to guide us toward proposals that offer real reform instead of just turning payment dials up or down. This will help ensure that Medicare savings yield better outcomes for Medicare’s beneficiaries. I think I speak for all of us up here, Republicans and Democrats alike, that we are still looking for the silver bullet that will permanently reform the physician payment system in a fiscally responsible manner and look forward to working with MedPAC to find such a solution.

“I want to offer a warm welcome to our invited witness, MedPAC Chairman Glen Hackbarth. Thank you for joining us today, and I look forward to hearing your testimony. I would also like to extend a special word of thanks to MedPAC’s Executive Director Mark Miller and the entire MedPAC staff for their hard work on this report.”

